The background of the slide features a large, circular seal of the Department of Defense Finance and Accounting Service. The seal is light blue with a yellow border. Inside the border, the words "DEPARTMENT OF DEFENSE" are at the top and "FINANCE AND ACCOUNTING SERVICE" are at the bottom, both in white capital letters. The center of the seal depicts an eagle with its wings spread, holding an olive branch in its right talon and arrows in its left. The eagle's chest is covered by a shield with vertical red and white stripes and a blue top section. Above the eagle's head are thirteen yellow stars. The seal is partially obscured by the title text and a horizontal red and blue stripe.

Problem Disbursements Status as of April 2001

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6/20/01

Your Financial Partner @ Work



Unmatched Disbursements (UMDs)

- The accountable station can't match the disbursement to the corresponding obligation in the accounting records.
- Results from inability to systemically communicate between entitlement and accounting systems.
- Great progress! Oct. 95 balance was \$6.8B(abs). Sep. 98, decreased to \$3.1B. Apr. 01, balance \$1.1B.



Negative Unliquidated Obligations (NULOs)

- The recorded disbursement exceeds the recorded obligation.
- Payments are matched to a detail obligation but total payments exceed amount of obligation.
- Great progress! Oct. 95 balance was \$3.3B(net/abs). Sep. 98, decreased to \$1.6B. Apr. 01, balance \$657M.

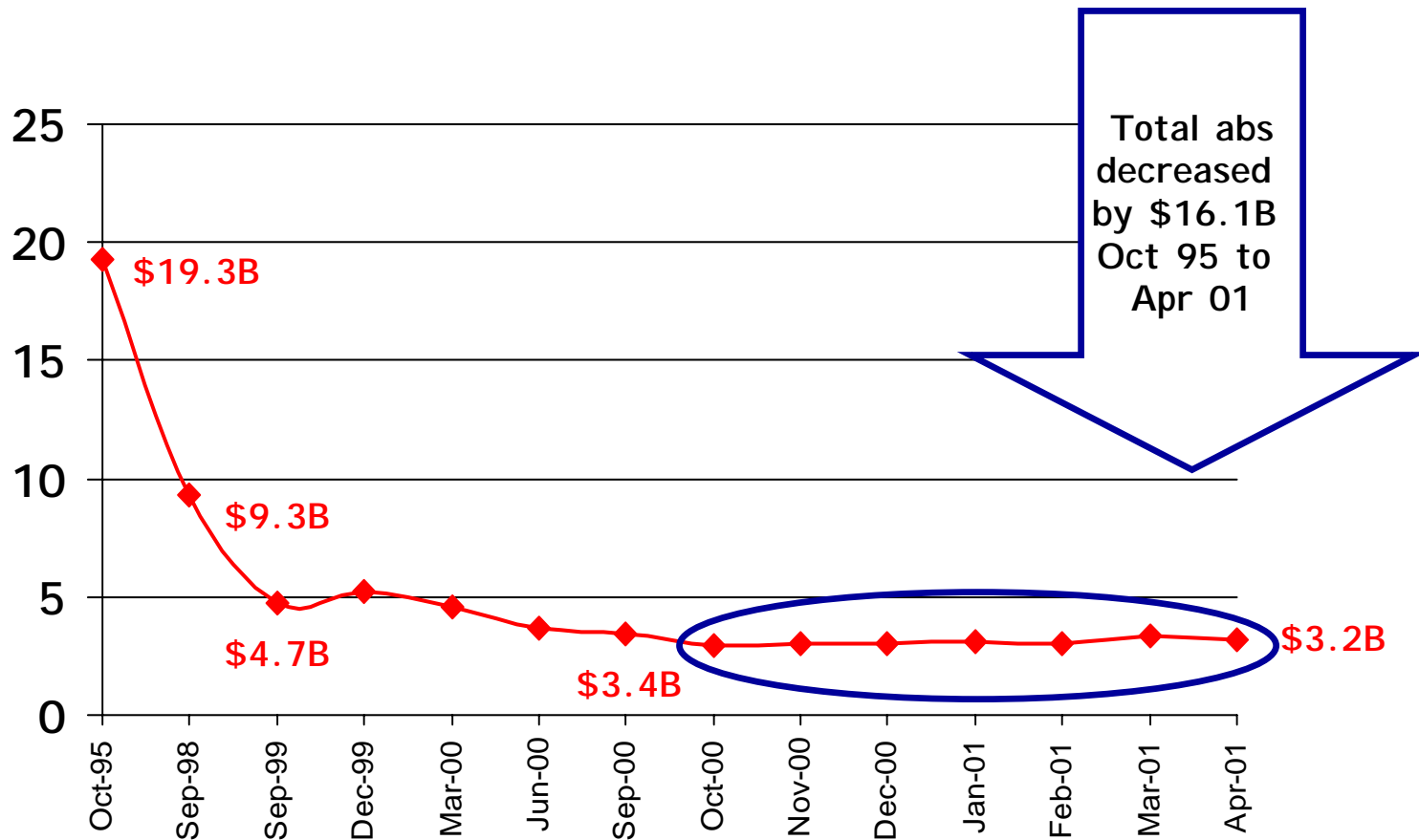


Intransits

- A disbursement that DOD reported to Treasury but either hasn't been received or hasn't been processed.
- Continuing efforts to reengineer accounting & disbursing systems to allow for quicker recording of transactions and more accurate status of funds.
- Great progress! Oct. 95 balance was \$9.2B(abs). Sep. 98, decreased to \$4.6B. Apr. 01, balance \$1.5B.



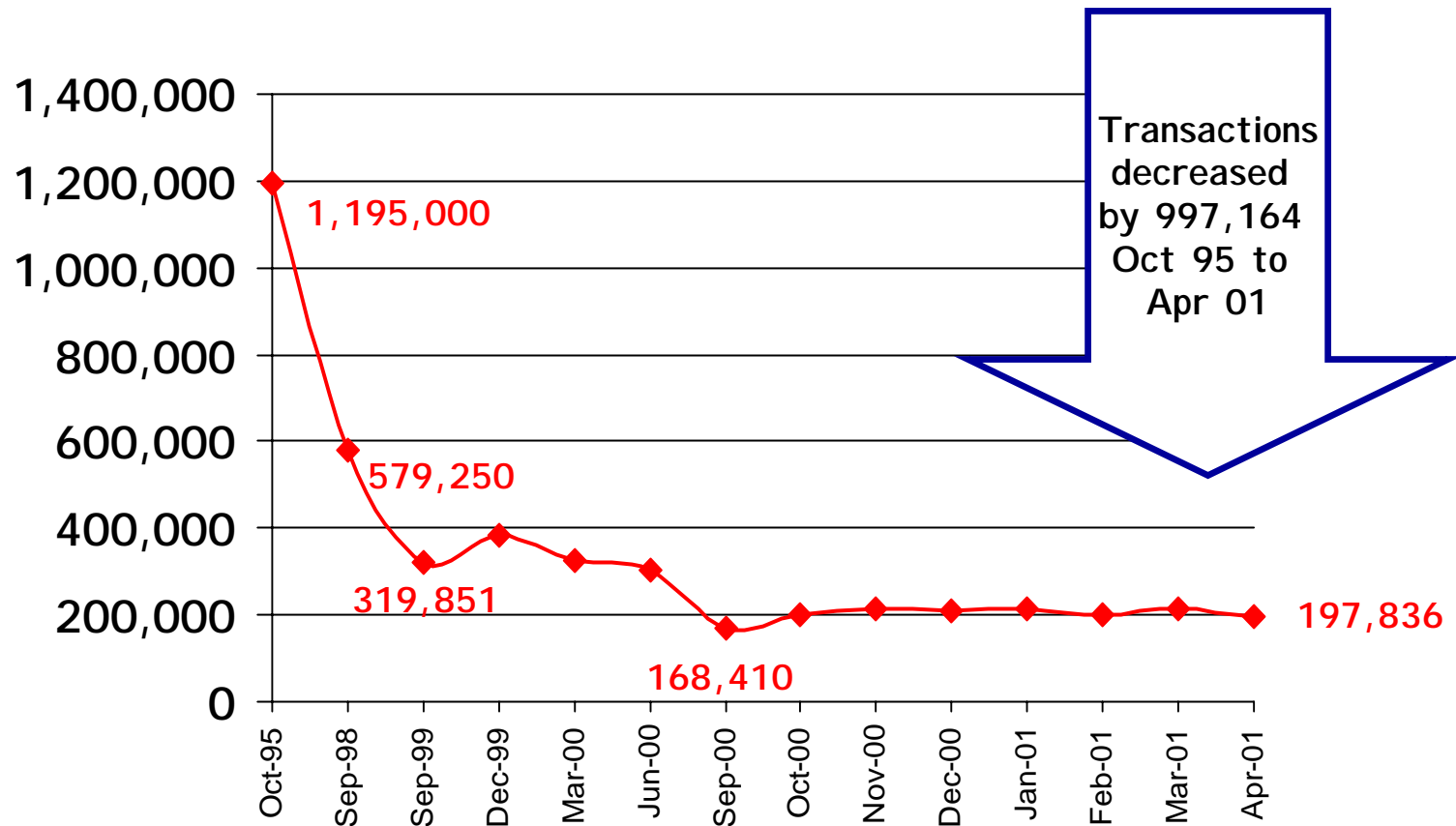
UMDs, NULOs & Intransits Trend Analysis - All Ages



Absolute in Billions of Dollars



UMDs, NULOs & Intransits Trend Analysis - All Ages

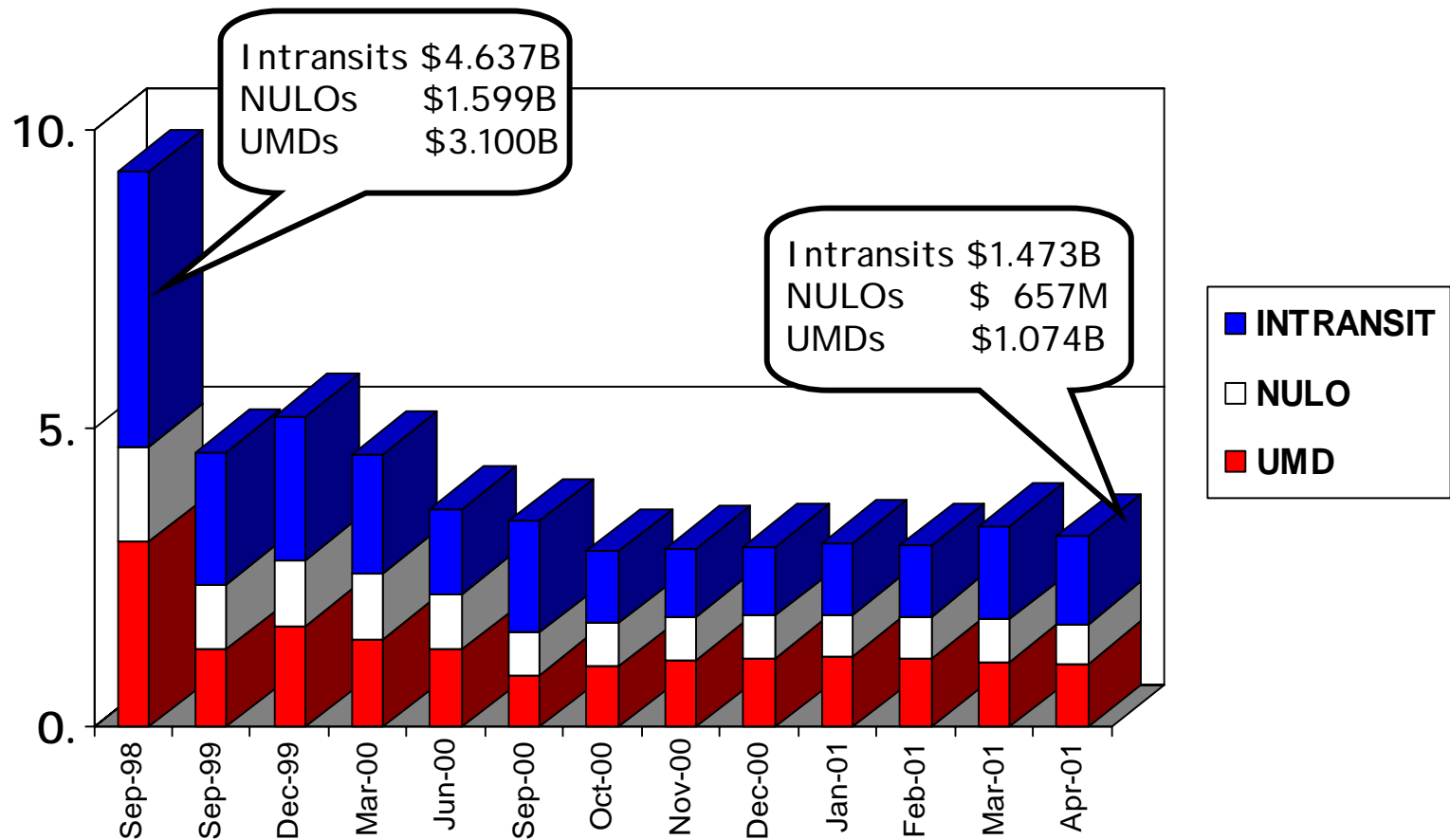


Transactions



UMDs, NULOs & Intransits

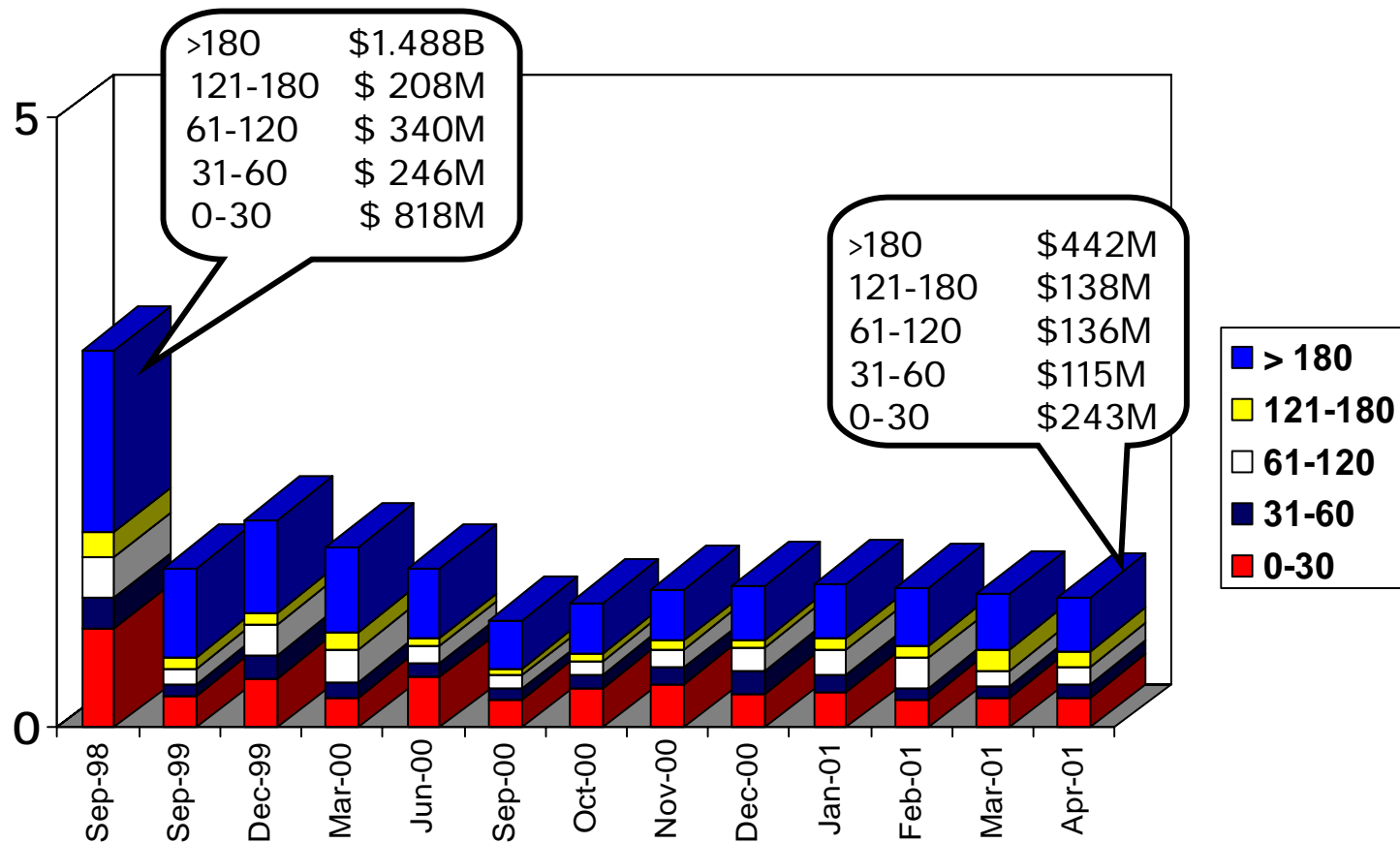
By Category



Absolute in Billions of Dollars



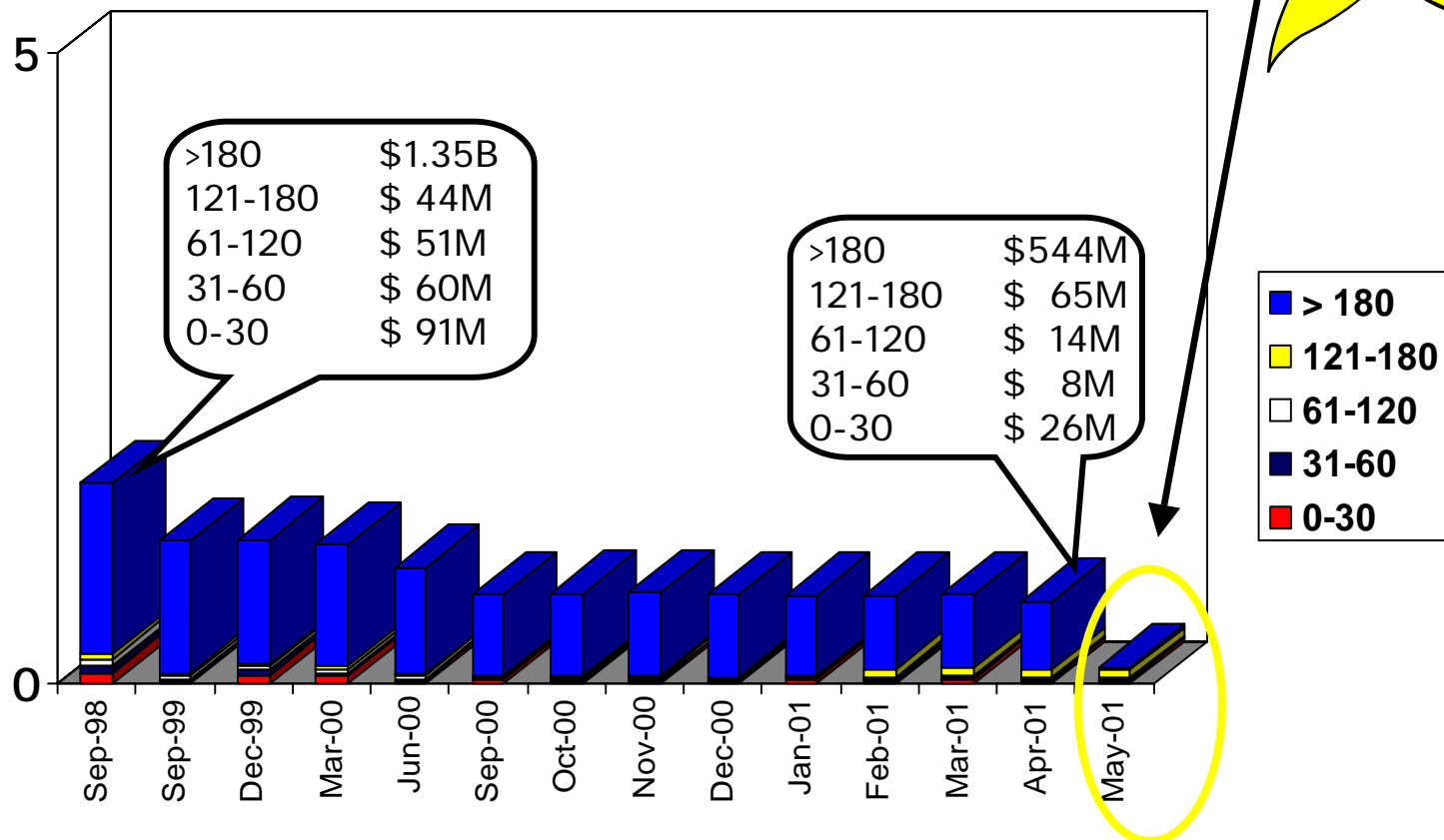
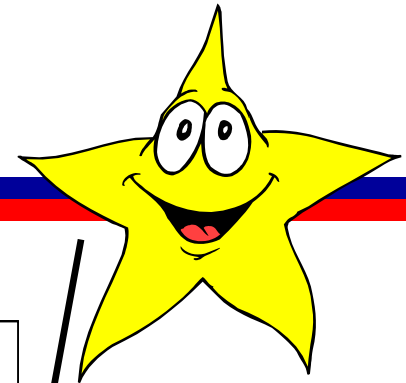
UMDs - By Age



Absolute in Billions of Dollars



NULOs - By Age

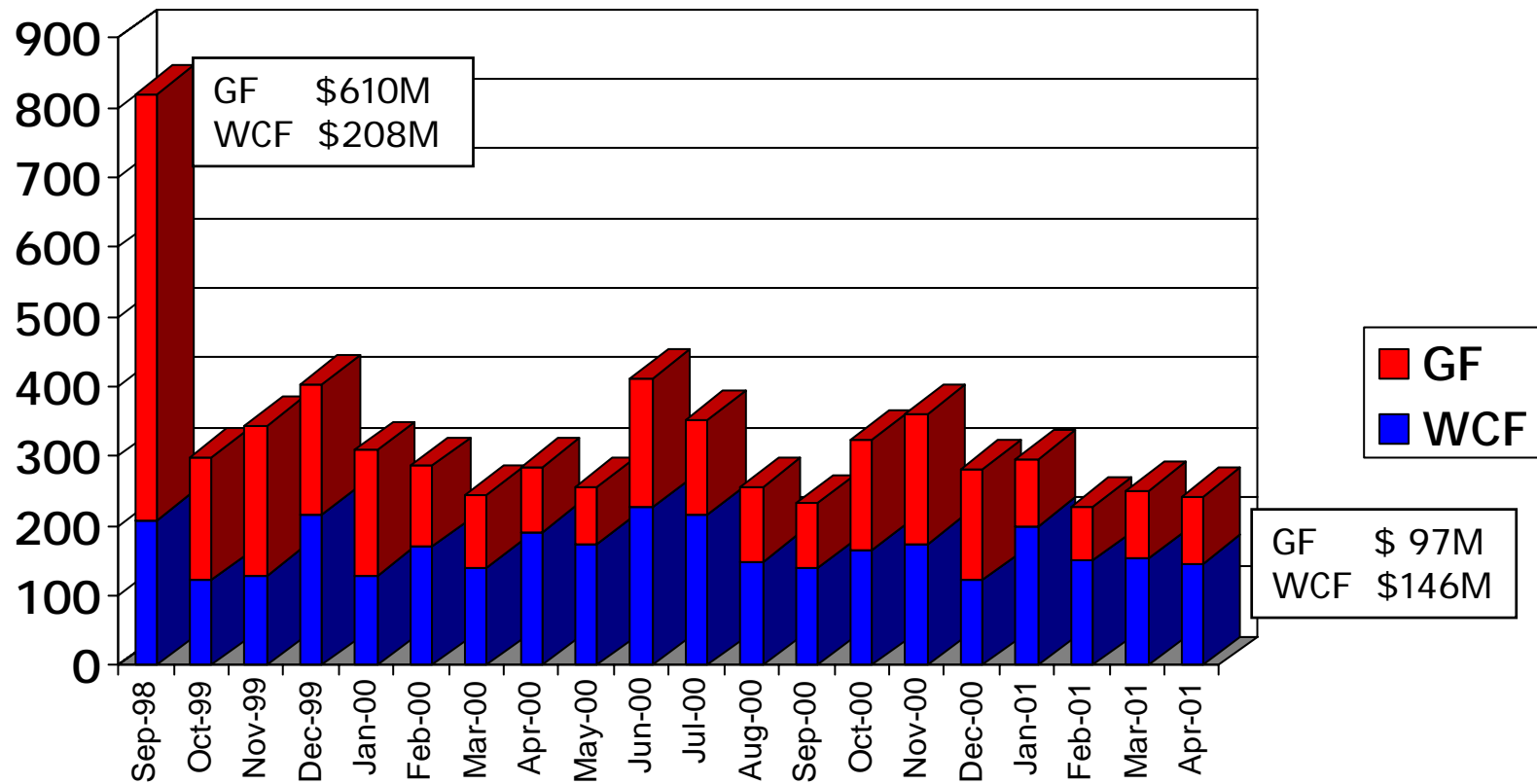


Absolute/Net in Billions of Dollars



UMD

Inflow (0-30 days) - Dollars

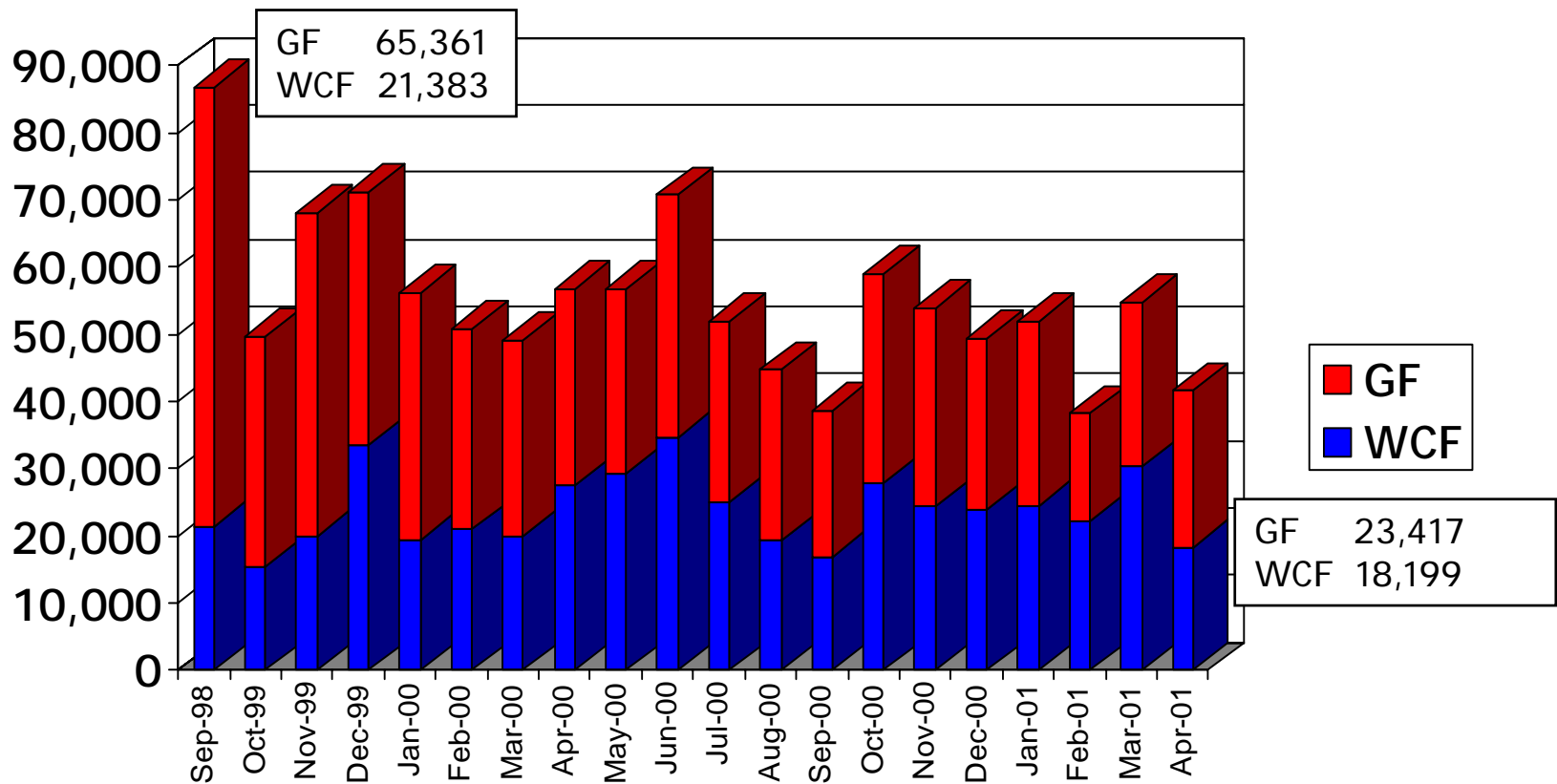


Absolute in Millions of Dollars



UMD

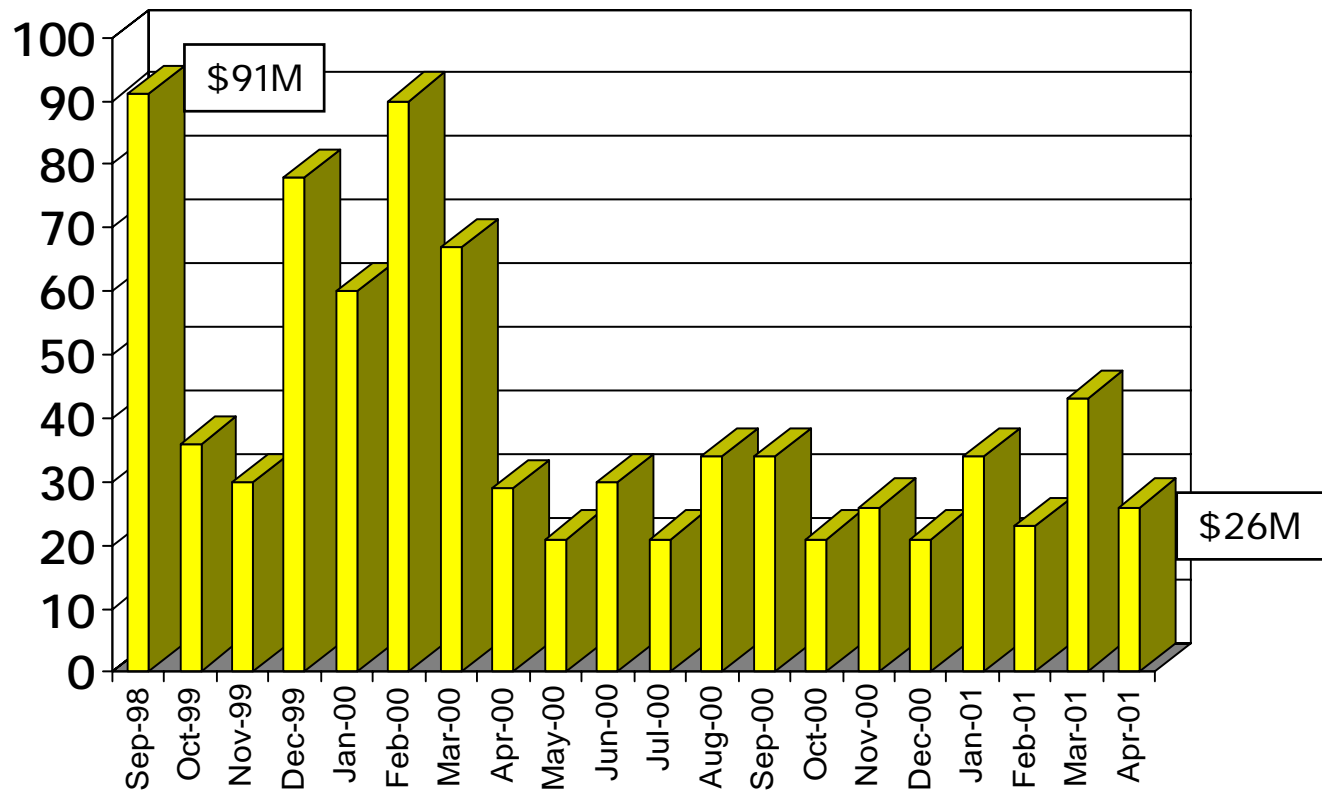
Inflow - Transactions





NULO

Inflow (0-30 days) - Dollars

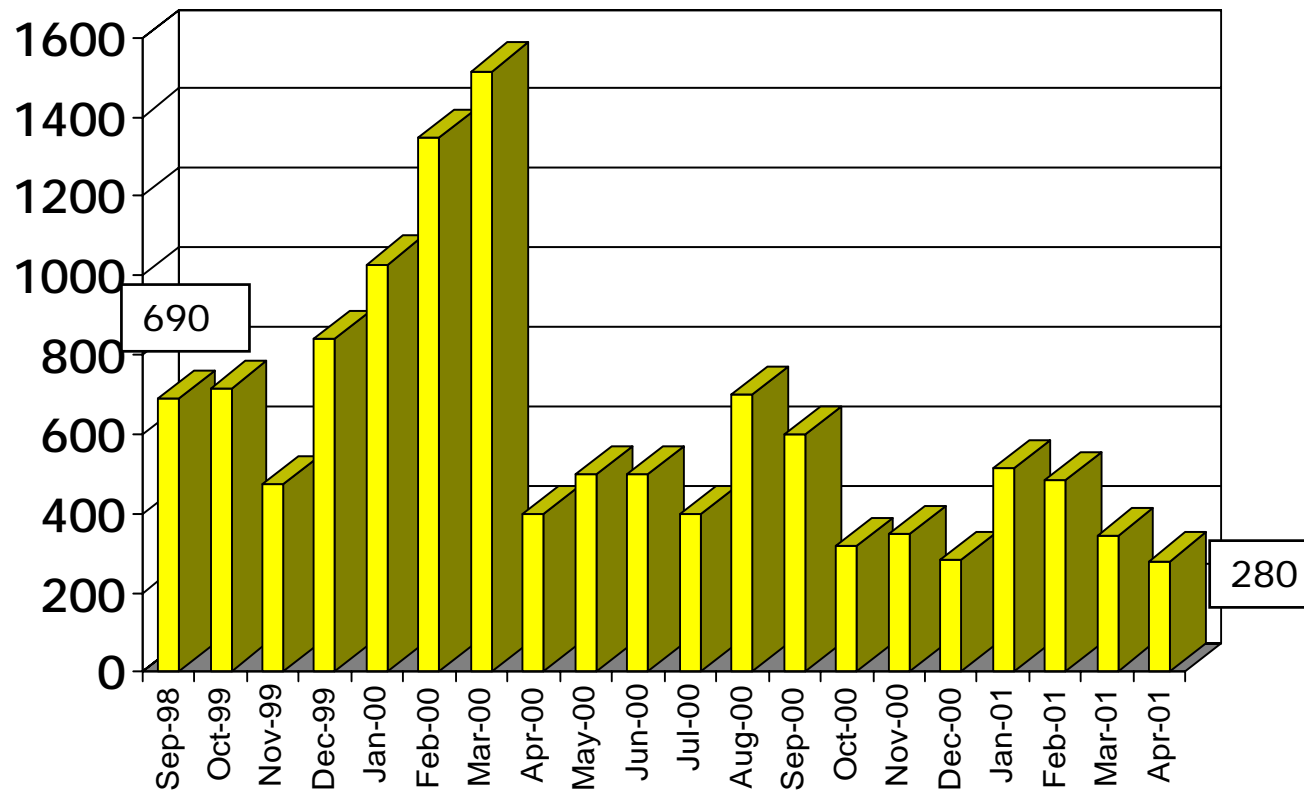


Absolute/Net in Millions of Dollars



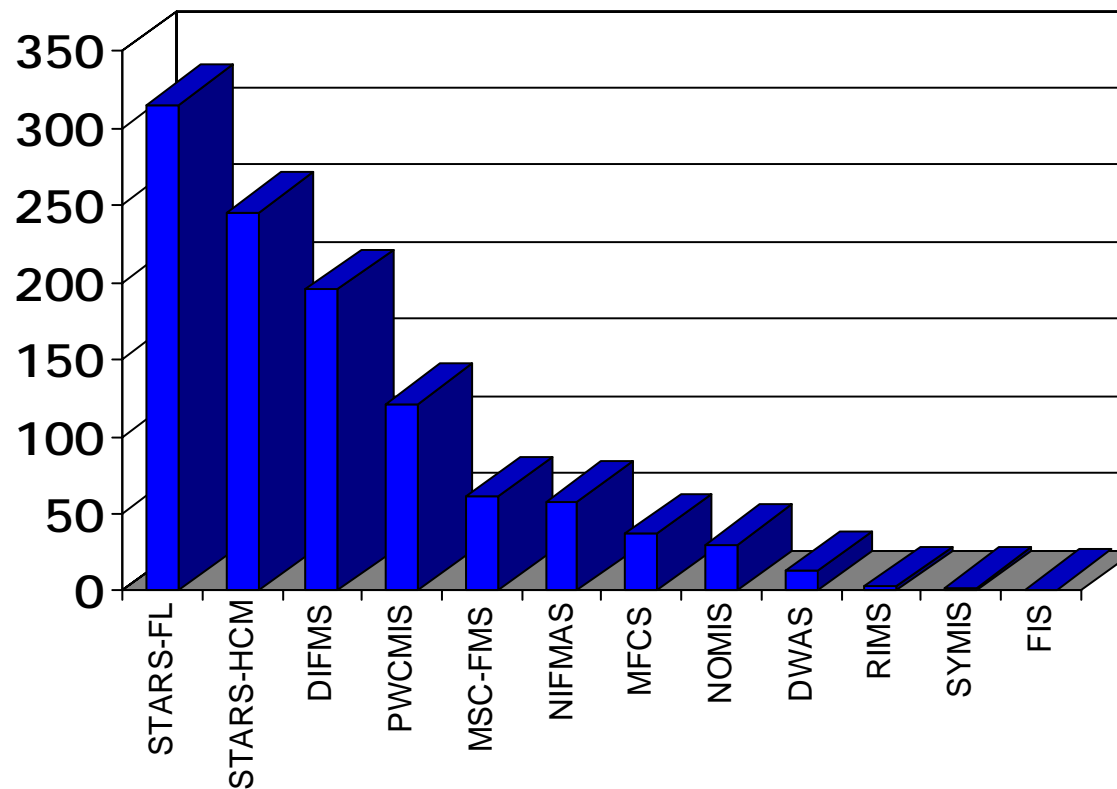
NULO

Inflow - Transactions





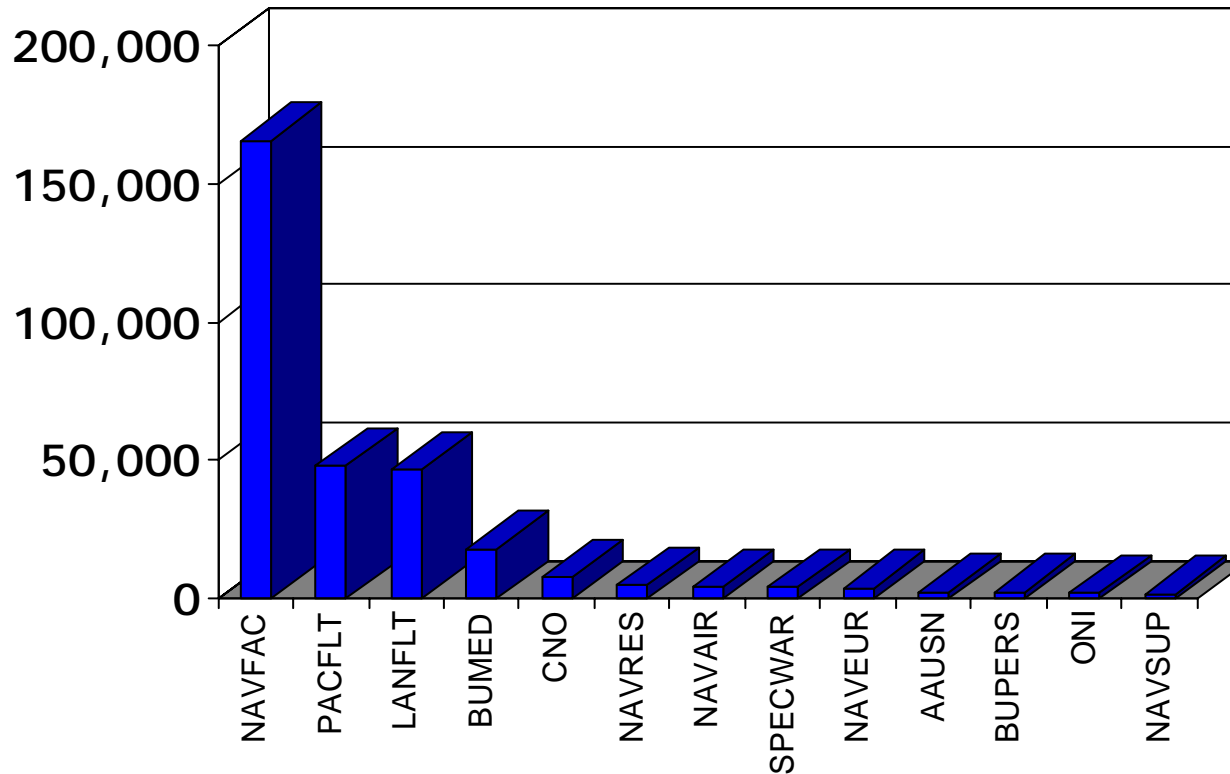
UMDs By Major Systems



Absolute in Millions of Dollars - Apr. 01



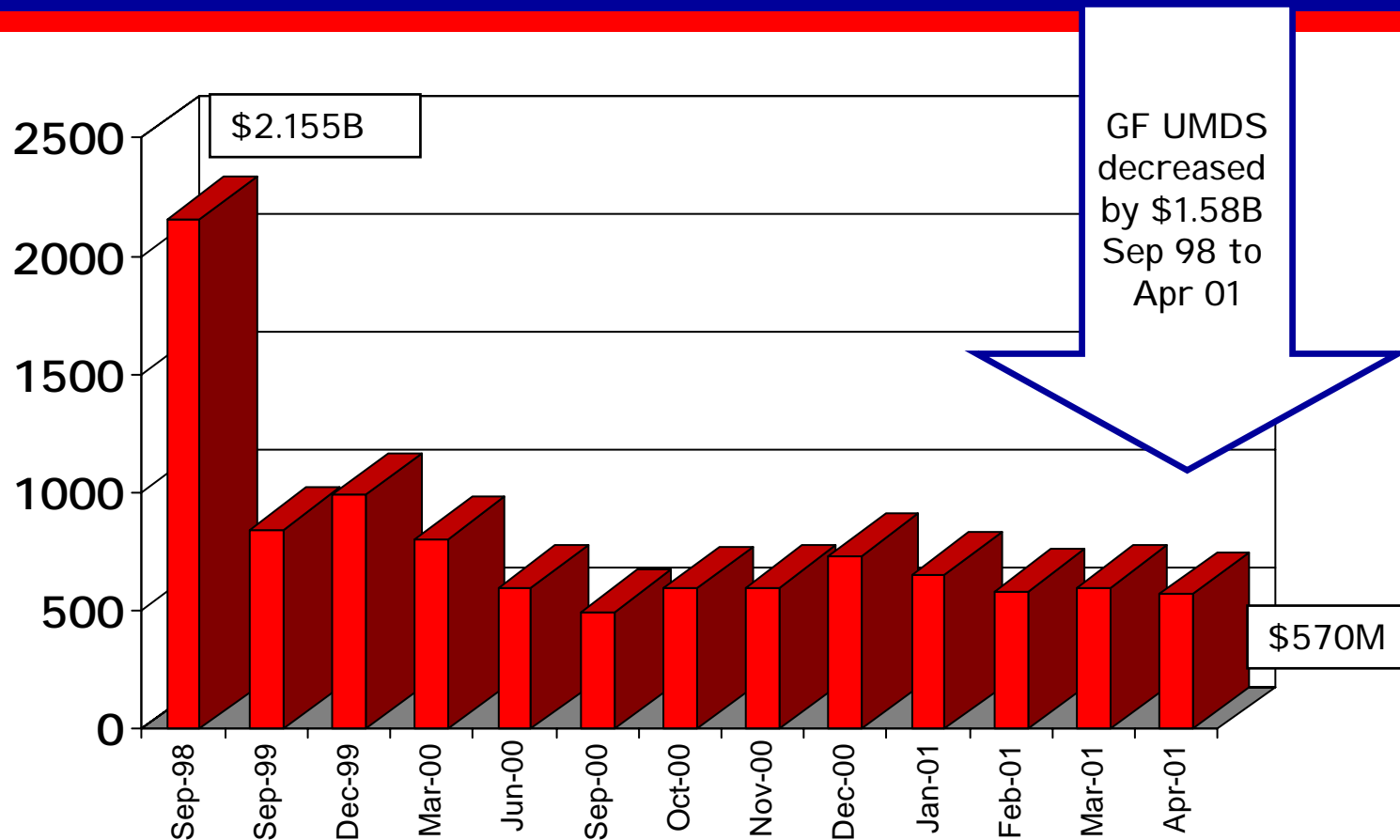
STARS-FL UMDs By Major Command



Absolute Dollars - Apr. 01



UMDs General Fund

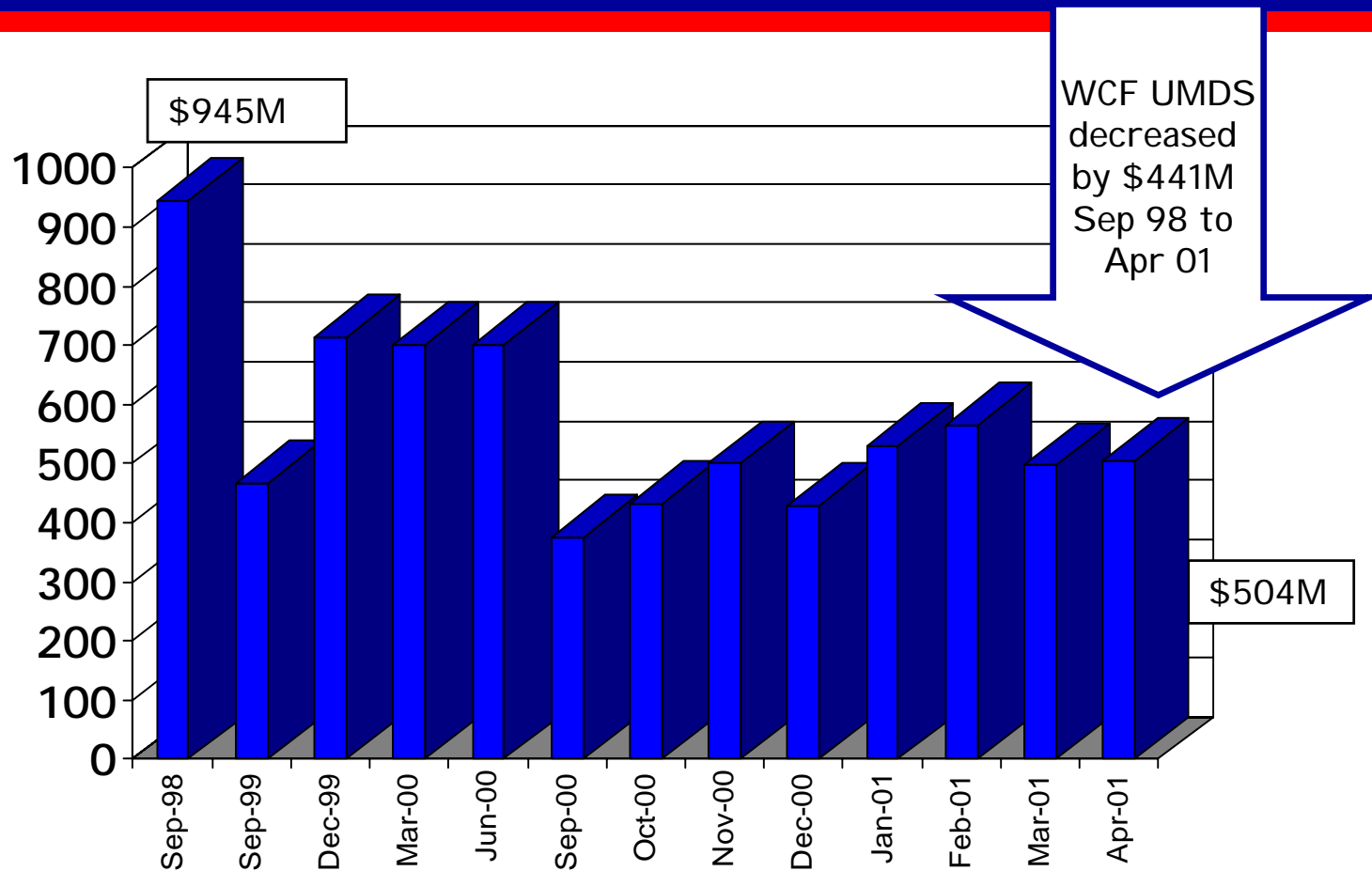


Absolute Dollars



UMDs

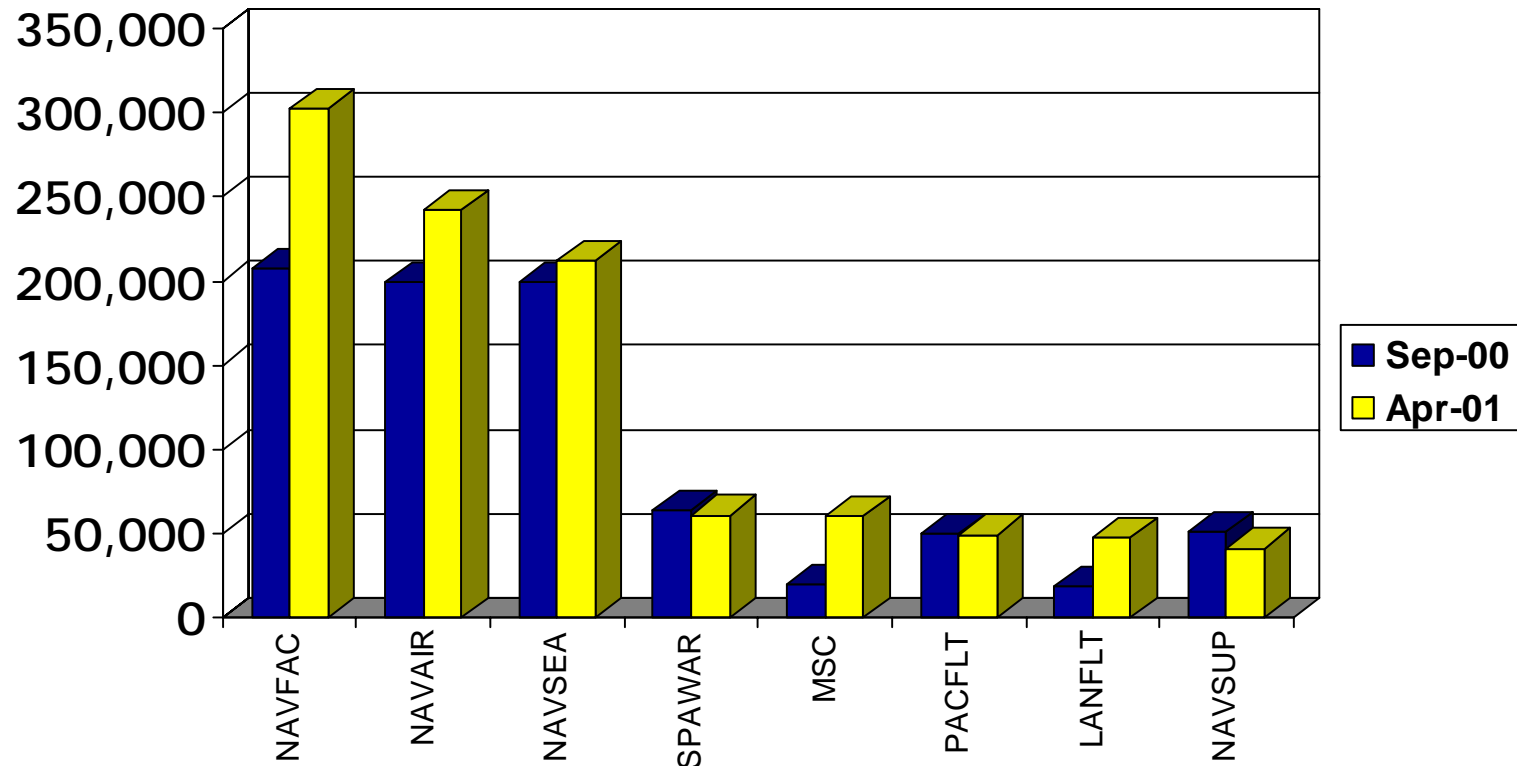
Working Capital Fund



Absolute Dollars



UMDs By Major Command



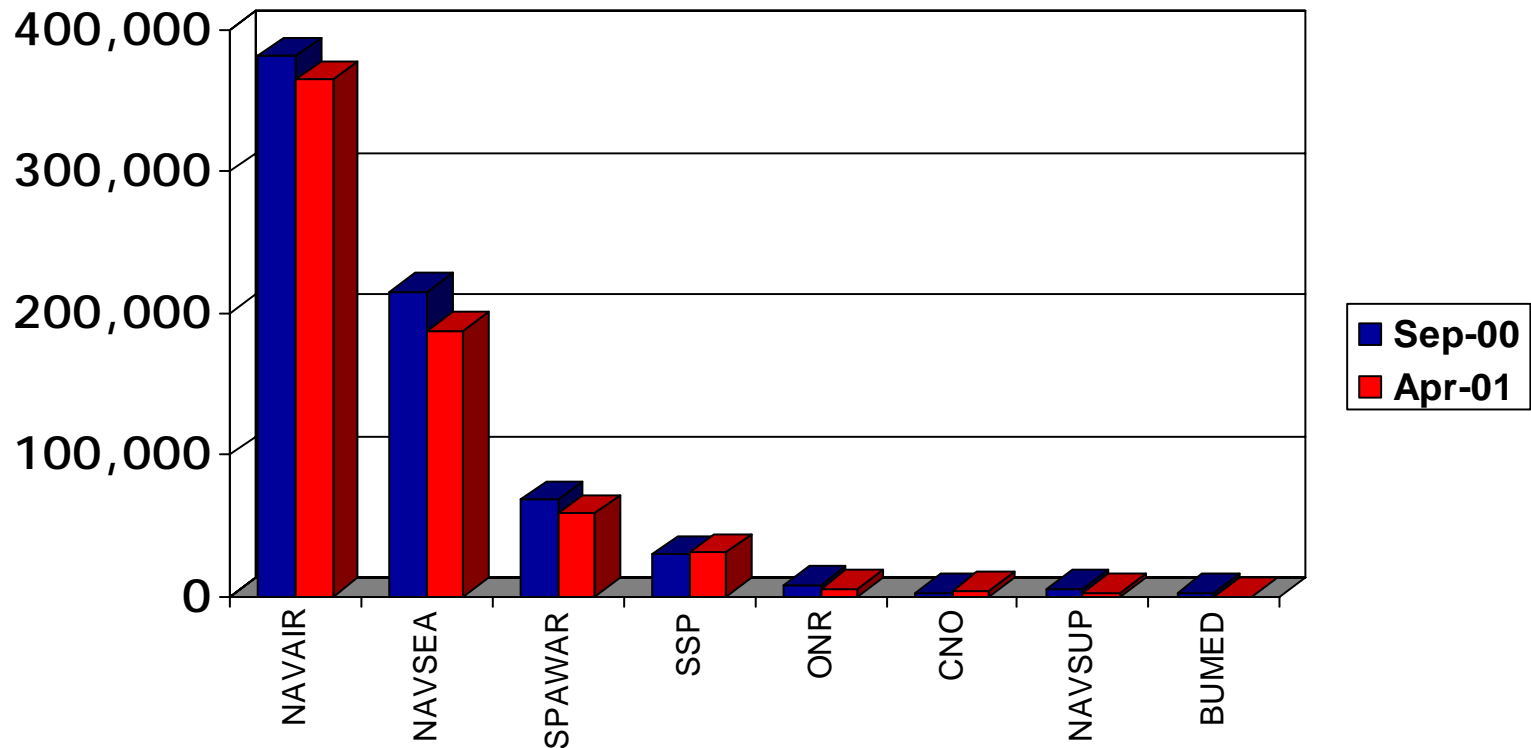
	NAVFAC	NAVAIR	NAVSEA	SPAWAR	MSC	PACFLT	LANFLT	NAVSUP
Sep 00	\$208	\$199M	\$200M	\$64M	\$19M	\$50M	\$19M	\$50M
Apr 01	\$302	\$242M	\$302M	\$61M	\$61M	\$49M	\$48M	\$41M

Absolute Dollars - Apr. 01



NULOs

By Major Command

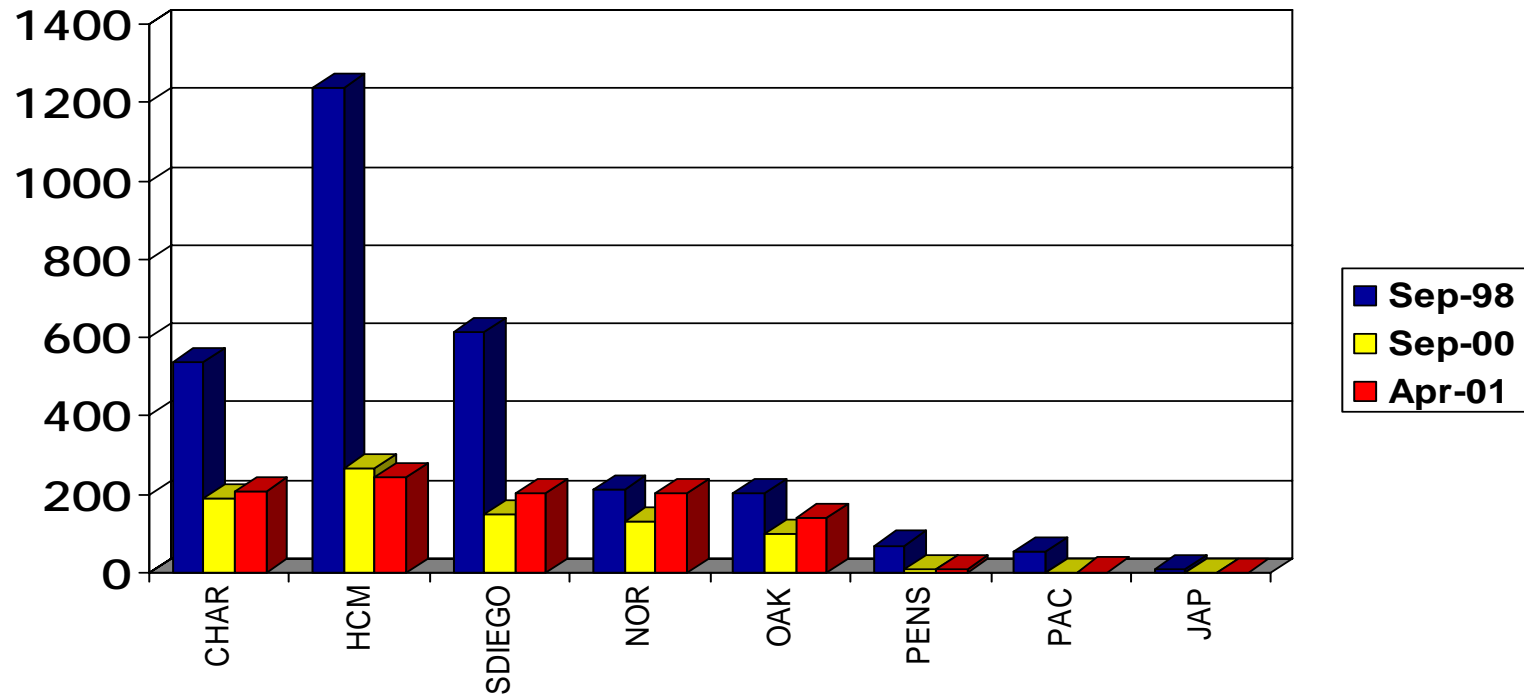


	NAVAIR	NAVSEA	SPAWAR	SSP	ONR	CNO	NAVSUP	BUMED
Sep 00	\$381M	\$215M	\$68M	\$30M	\$8M	\$3M	\$6M	\$667K
Apr 01	\$365M	\$187M	\$59M	\$31M	\$6M	\$4M	\$3M	\$625K

Absolute Dollars - Apr. 01



UMDs By DFAS Field Site



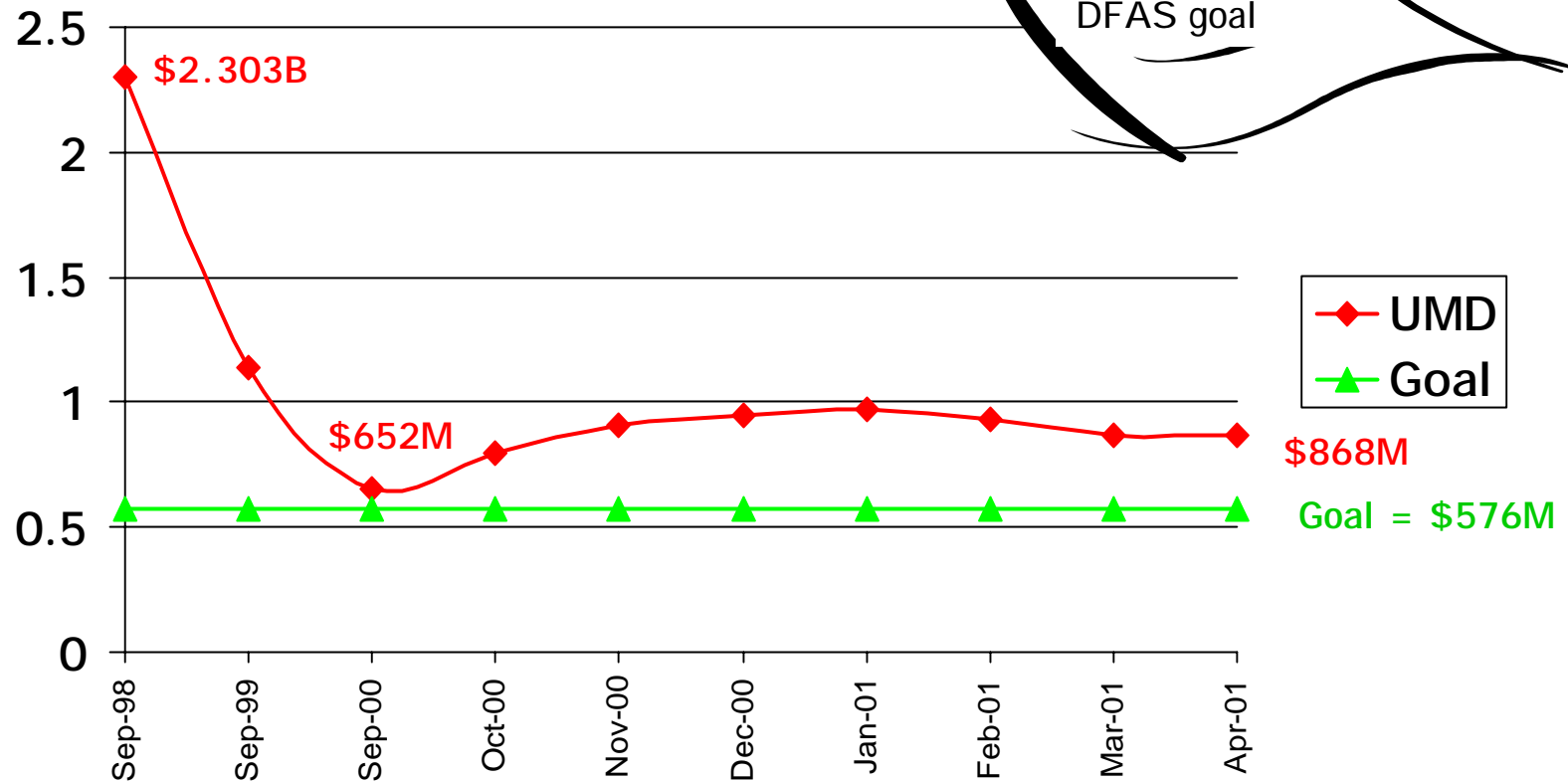
	CHAR	HCM	SDIEGO	NOR	OAK	PENS	PAC	JAP
Sep 98	\$537M	\$1.238B	\$614M	\$211M	\$202M	\$70M	\$52M	\$10M
Sep 00	\$ 191M	\$ 267M	\$150M	\$132M	\$ 99M	\$ 7M	\$ 1M	0
Apr 01	\$207M	\$ 245M	\$202M	\$202M	\$138M	\$ 7M	\$ 2M	0



UMDs in Relation to DFAS Goal



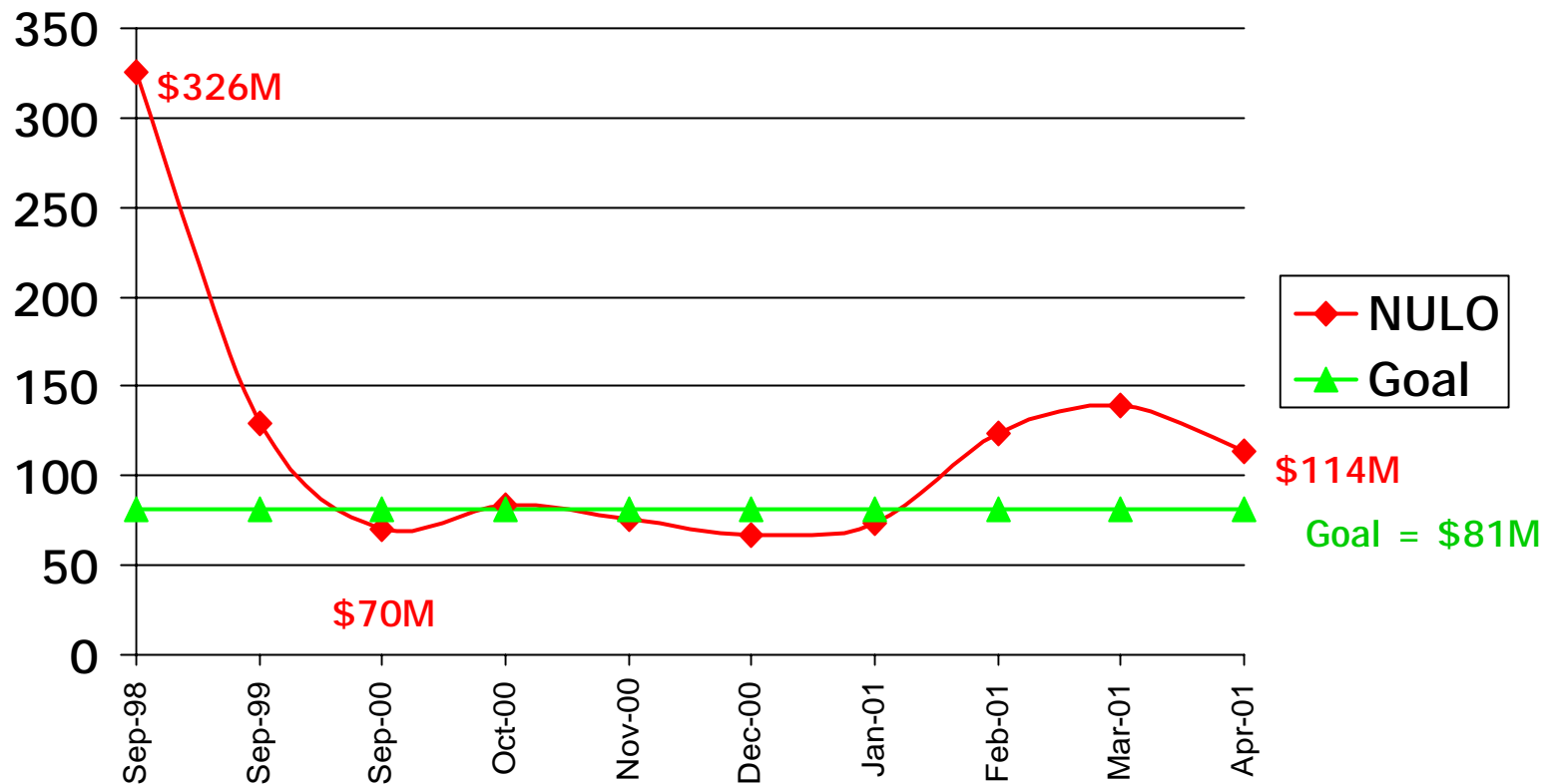
Need to clear
\$292M to meet
DFAS goal



Absolute in Billions of Dollars (less obligated and pending adjustments)



NULOs in Relation to DFAS Goal



Absolute/Net in Billions of Dollars (less obligated and pending adjustments)



Action Plan



- Work to achieve a 75% reduction from Sep 98 baselines.
- Work with Navy to implement DOD FMR, Vol. 3, Ch. 11 to obligate/clear PDs.
- Follow-up to ensure DFAS and Navy are in compliance and aggressively implementing new regulations.
- Utilize discontinued research.



Action Plan (continued)

- Work to identify and correct sources of inflow.
- Work to clear backlogs created by various systems conversions.
- Monitor new systems conversions to determine impact on PDs.
- Focus on clearing \$500M(abs) in WCF UMDs and \$600M in GF.
- Track weekly/monthly progress.





Summary

- Great progress made since Oct. 95. Total UMDs, NULOs & Intransits decreased from \$19.3B to \$3.2B.
- No significant reductions in FY01.
- 40% of UMDs > 180 days old.
- Continue to focus on clearing UMDs.

